

## Senate Bill No. 821

### CHAPTER 599

An act to add Chapter 5.5 (commencing with Section 66350) to Part 40 of the Education Code, relating to business ethics.

[Approved by Governor September 28, 2003. Filed  
with Secretary of State September 29, 2003.]

#### LEGISLATIVE COUNSEL'S DIGEST

SB 821, Alarcon. Business ethics: Golden State Business and Social Responsibility Award.

Existing law, known as the Donahoe Higher Education Act, sets forth the missions and functions of California's public and independent segments of higher education, and their respective institutions of higher education. Provisions of the act apply to the University of California only to the extent that the Regents of the University of California, by appropriate resolution, act to make a provision applicable. Among other things, the act identifies common educational missions shared by educational institutions in California and differentiates more specific missions and functions among the various educational segments.

This bill would require the Trustees of the California State University and the Board of Governors of the California Community Colleges, and request the Regents of the University of California and the Association of Independent California Colleges and Universities, to participate in a task force to develop a plan for integrating instruction in business ethics into their business and business administration programs. The bill would require this task force to report to the Legislature.

The bill would establish the Golden State Business and Social Responsibility Award, which would honor students who complete graduate business programs at California's public and private institutions of higher education, and who show a commitment to socially responsible leadership. The bill would prescribe the qualifications for receipt of the award.

*The people of the State of California do enact as follows:*

SECTION 1. Chapter 5.5 (commencing with Section 66350) is added to Part 40 of the Education Code, to read:

## CHAPTER 5.5. BUSINESS ETHICS

66350. This chapter shall be known and may be cited as the Social Responsibility Business Leadership Initiative Act of 2003.

66351. The Legislature finds and declares all of the following:

(a) Ethics in business are vital to the economic well-being of the state.

(b) Corporate malfeasance is contrary to the long-term economic viability of the state.

(c) California's public and private higher education institutions have the opportunity to act as a catalyst in creating a new generation of elite business leaders that work to create a sustainable, ethical, and socially responsible global community.

(d) It is, therefore, the intent of the Legislature to establish the Social Responsibility Business Leadership Initiative to prepare and inspire California business graduates to apply their business skills to enhance the productivity of the state, and integrate the discipline of corporate responsibility into the general management core.

66352. The Trustees of the California State University and the Board of Governors of the California Community Colleges shall establish and convene a task force to develop a plan for integrating instruction in business ethics into their business and business administration programs. The task force shall report to the Legislature, and advise whether, how, and why this integration can occur. The Regents of the University of California and the Association of Independent California Colleges and Universities are encouraged to join the task force.

66353. (a) The Golden State Business and Social Responsibility Award is hereby established. The award shall honor students who complete graduate business programs at California's public and private institutions of higher education, and show a commitment to socially responsible leadership.

(b) A participating institution of higher education may affix the seal of the Senate, the Assembly, or the Governor on the diploma or transcript of a qualifying student.

(c) A student who meets both of the following requirements shall qualify for an award:

(1) The completion of two ethics courses in business.

(2) The demonstration of a commitment to social responsibility by completing a minimum of 50 hours of community service.

(d) Institutional participation in the Golden State Business and Social Responsibility awards is voluntary. An institution of higher education

shall be responsible for any costs it incurs in participating in the award program.

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